Minnesota Maize

Corn Based Products

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Minnesota Maize, LLC

Providers of Corn Based Products

Minnesota Maize, LLC
10111 North Hwy. 71
Olivia, MN 56277

Product Overview

Minnesota Maize, LLC (MM) is a grower-based company in the business of processing corn into various corn-based products that are marketed through out North America. The company owns and operates a corn wet-mill refinery located on the north west edge of the city of Olivia, MN. Corn wet-milling utilizes a complex process in which corn is steeped in a water solution before the various components of the kernel of corn are separated and processed or refined into a starch slurry or other further refined products. The principle products include unmodified cornstarch, food grade cornstarch, fuel ethanol, and waxy cornstarch. Other products that are produced include corn germ, gluten meal, wet gluten feed, and corn steep water. In addition Minnesota Maize is party to a joint venture with AVEBE, a farmer owned Dutch potato starch cooperative that markets specialty starches worldwide. The joint venture purchases waxy cornstarch slurry from the Minnesota Maize refinery. The starch slurry is pump to an adjacent jointly owned and operated facility in which the starch is modified into more sophisticated specialty starches and products. The specialty starch products are marketed through eighteen North American facilities owned by AVEBE.

Executive Summary

Minnesota Maize, LLC is a grower-based company that expects to begin operations on January 3rd, 2001. The company has sold subscriptions for 23,882,500 shares of Class A stock at $2.75 per share to raise $65,776,875 from farmer growers and has also sold one share of Class B non-participating stock for $18,063,525 to AVEBE, a Dutch potato starch cooperative. The total capital raised was $83,831,400 and is held in escrow until January 3, 2000 when the company will take possession of a new $80,250,000 corn wet mill refinery that produces starch and ethanol. The facility is being purchased is a turn-key plant designed and built by Flour-Daniel International that has been test run and is ready for full operations. Flour-Daniel has been a part of successful plant startups in the past and no major problems are expected.

The company has strategic marketing alliances in place that will allow for market penetration of its major products. The most important of these is the joint venture agreement with AVEBE. In exchange for $18,063,525 of Class B non-participating stock, AVEBE will jointly own the corn starch processing facility with MM and also purchases the specialty starch slurry at a $0.75 per cwt. discount, subject to formula pricing, to the long term average price of $12.01 a cwt. The formula pricing provides for a variable starch price based on factors such as corn cost and variable cost such as natural gas, electrical, and labor. The formula pricing provides a fixed processing margin to MM. Another important marketing arrangement is the Ethanol sales agreement that MM has with MCP, of Marshall, MN. Since MCP is the second largest marketer of Ethanol in the United States, MM gains valuable market experience and insight by marketing through MCP.

Minnesota Maize has projected that the first year of operations will by financially successful and expects a net income of $17,832,610 or 16.99% of net sales of $104,965,811 during fiscal year 2001. Net income paid out as cash is expected to be $0.75 per share or 100% of profits. This is possible because of the rapid build up of cash the company expects to experience. Projected cash on hand prior to distributions on December 31, 2002 is expected to be $22,139,235. In addition, working capital is financed in part by ten million dollars of bonds payable over twenty years. Expected cost of goods sold is expected to be $81,029,051 with labor and related cost being $5,254,150 of that total. Corn cost is expected to be the largest cost component at $53,019,150. Interest expense for the year should total $850,000 on $10,000,000 of debt.

Minnesota Maize has very good cash flow with accounts receivable turnover ratio of 12.07 and inventory turnover of 16.10. Because of the strong financial strength of our major customers we expect no significant bad debt.

The company has a strong balance sheet with projected fiscal year end 2001 assets at $116,838,510 and stockholders equity of $83,831,400 while liabilities and debt total $33,007,110 which leaves MM with 71.75% owners equity. Year-end current assets are $40,601,010 with current liabilities of $23507,110 providing $17,832,610 of working capital or a current ratio of 1.73 to 1. The company achieved ROA of 15.26% and ROE of 21.27%.

The company expects to attract and maintain its employee base through aggressive hiring incentives and an attractive compensation package. Employment of key personal continues to be a priority of the company. Currently the company has achieved hiring 95% of the required employee base necessary for long term operations.

Corporate Name

The name Minnesota Maize was chosen because it identifies both the general location of the company as being in the state of Minnesota and the primary raw material being used as Maize or more commonly called corn. The name is also catchy and should be easily remembered by customers and suppliers. The slogan “Providers of Corn Based Products” further identifies the goods that the company offers.

Minnesota Maize, LLC – Mission/Vision/Values

Mission

Providing superior corn based products and services that optimize customer performance and shareholder returns.

Vision

Minnesota Maize will be a dominant grower based provider of corn based products through out North America. This will be accomplished while being sensitive to customers, employees, and growers.

Values

Excellence in customer satisfaction every day

Highest standard of integrity

Respecting the environment and individuals

Each stakeholder is important

Resourceful, cultivated solutions

Location

Minnesota Maize owns and operates a corn wet-mill refinery that is located in Renville County on the northwest edge of the city of Olivia, MN. (Please see the map on the following pages that show the location of Olivia, within the State of MN and plant site in Troy Township.) Primary considerations for the refinery location included access to: transportation, utilities, capable grower investors with abundant corn supplies, large cattle feedlots, and corn research facilities.

One of the primary considerations for plant location was transportation. Logistically moving products into and out of the facility dictates that access to railroad and ten-ton highways is imperative. For instance, most cornstarch will be shipped via rail cars to customers in northern Minnesota, Wisconsin, or the Pacific Northwest. The Twin Cities & Western Railroad provides service to this location and as well as links to other railroads such as the Burlington Northern Railroad. However, some customers are better served by truck, which dictates the use of major highways during Minnesota's road weight restrictions in the spring.

Another primary consideration was the availability of utilities. This site is served by Northern Natural Gas, which supplies natural gas via a large twenty-eight inch diameter pipe-line just five miles from the plant. This major pipeline allows access to Canadian gas fields via a feeder line that runs from the Bird Island pumping station to the refinery. In addition, Renville-Sibley Electric Power offers extremely competitive rates because of their association with the Touchstone Energy Cooperative. The cooperative has access to the regions efficient hydroelectric power and coal-fired power plants. Still another utility available is the waste treatment facility owned and operated by the City of Olivia. Since

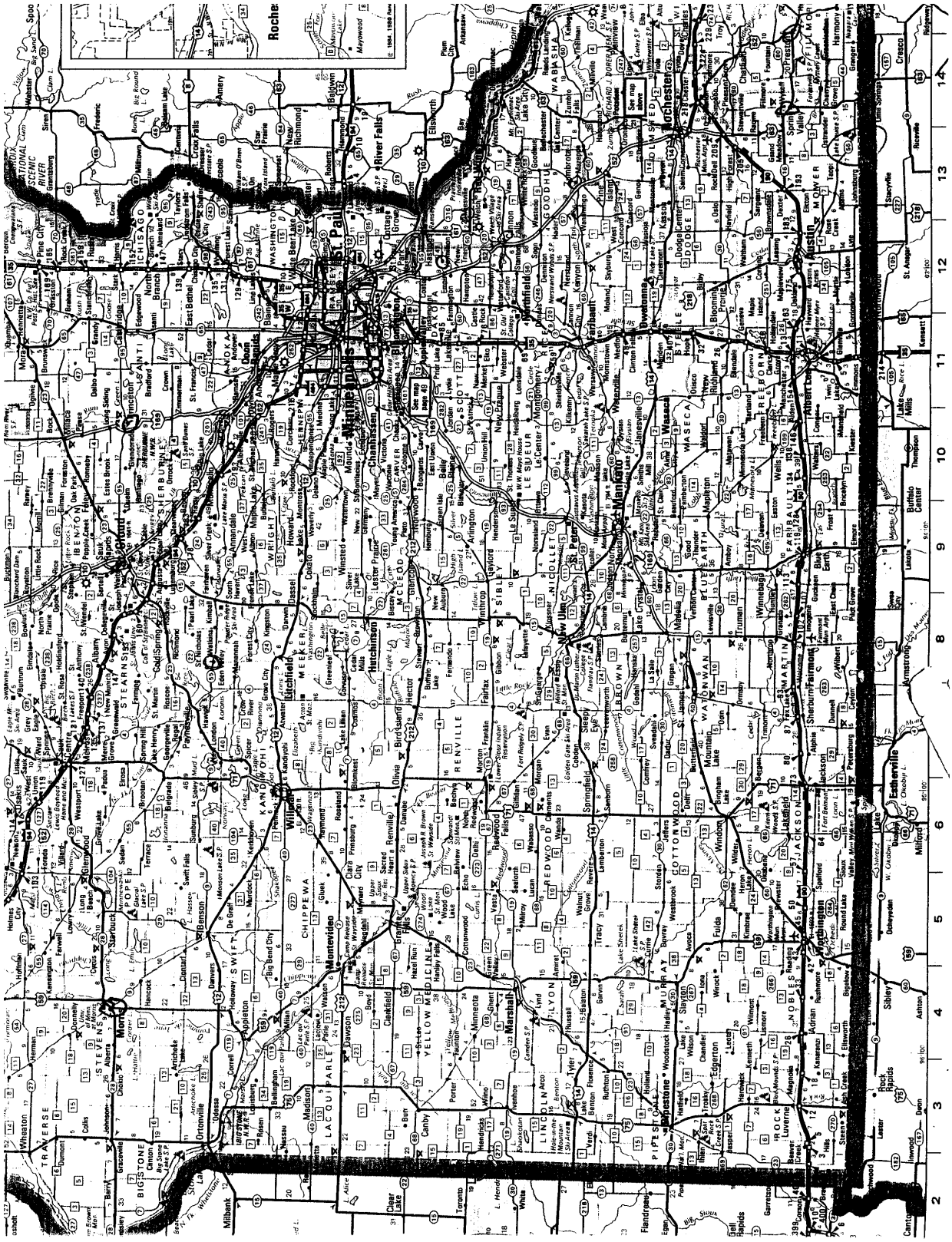
the city has excess capacity, both Minnesota Maize and the city benefit from the plant location.

In addition, capable grower investors with abundant corn supplies were also a primary consideration considered relative to the success Minnesota Maize. Since waxy corn will be a major raw material used for specialty starch production, access to capable growers is imperative. Renville county farmers are well known for being innovative and adaptive to new practices, crops and value added investments. Therefore, Renville county farmers will make excellent partners and investors who are accustomed the concepts of grower based companies. Also, the area is one of the top producers of corn with ample supplies available commercially.

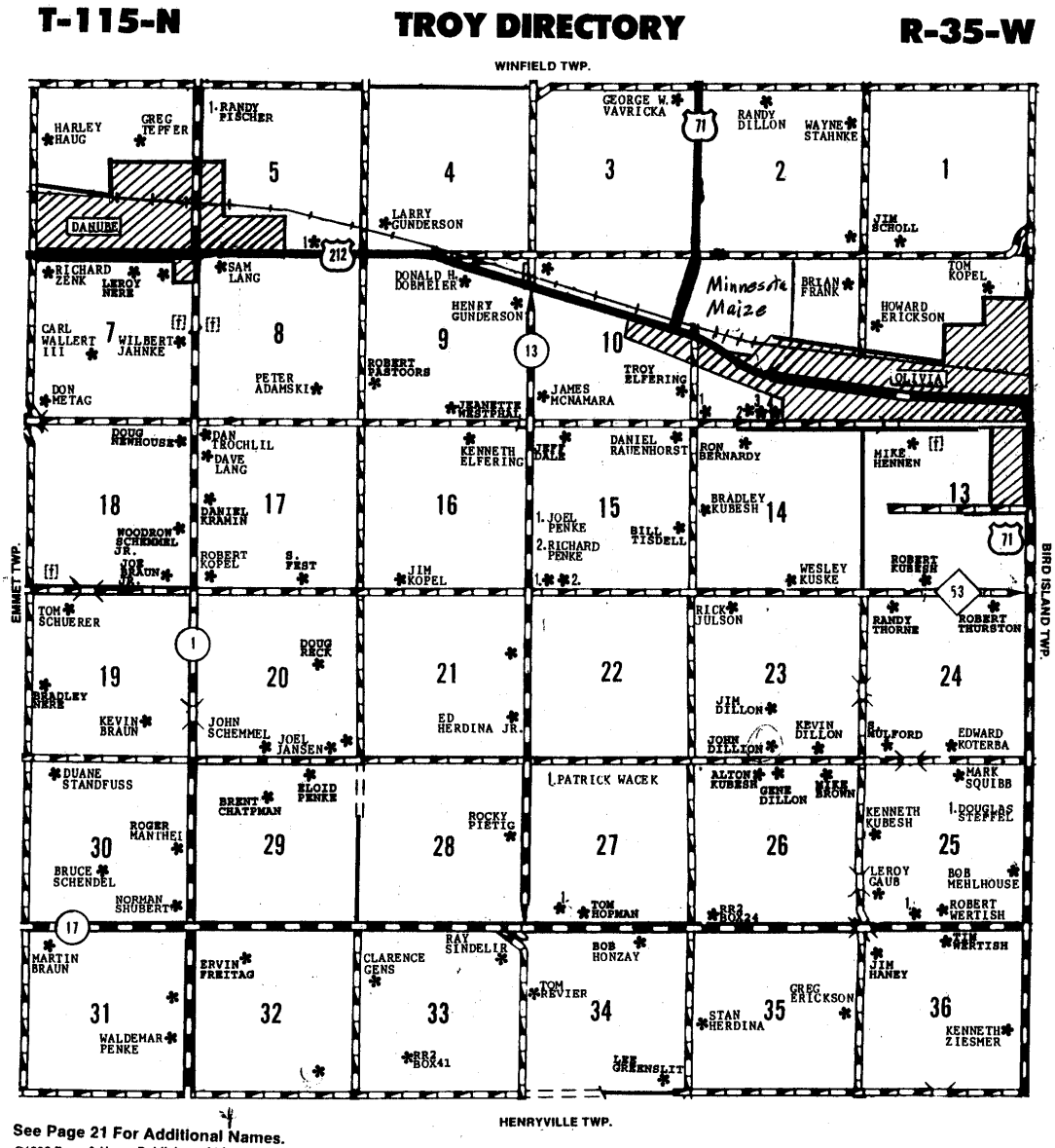
Furthermore, plant location took into consideration distance to large cattle feedlots. Since wet gluten feed, one of the co-products that MM will have available, is freight sensitive, distance to the customer impacts the value of the product. Two large feedlots with capacity to feed about eighteen thousand cattle are within ten miles of the plant. In addition, eleven other feedlots with combined capacity of fifteen thousand cattle are within a radius of twenty-five miles of the refinery

Also, access to corn research facilities was considered important. Since waxy corn is a major raw material, the company considered the need for continued research and development of waxy corn important in order to provide growers with approved corn hybrids. However, few seed corn companies emphasize northern-bred waxy corn hybrids. As a result MM works with the many seed corn research companies with research facilities located in or near Olivia, MN such as: Mycogen Seeds, Golden Harvest, Pau Seeds, Renk Seeds. DeKalb Genetics, Pioneer Seeds, and Quality Seeds. In addition, Mycogen Seeds and Quality Seeds both have growers and seed conditioning facilities that could propagate any hybrids developed for use.

Minnesota Map



Troy Township Directory



See Page 21 For Additional Names.

Regional Labor Force

MM seeks to attract and maintain a work force that will allow it to be competitive and prosper. The Olivia area and surrounding Renville County have a stable labor force that should allow MM to employee and maintain an adequate and qualified staff to operate its facilities. For example, in the year 2000 Renville County has a total work force of 7,440 and projections indicate maintaining nearly the same work force through the year 2020. Projections indicate an available work force of 7,380 for the year 2005, 7,300 available in 2010, 7,210 for the year 2015, and in the year 2020 there are 7,180 available workers expected. Although employment levels are near all time lows with unemployment near 3.5%, many rural residents still seek quality jobs with employers who value the employee and offer attractive wages and benefits.

Product Markets, Competition, Strategy, and Distribution

The specialty starch market has relatively few suppliers who are capable of meeting demands of the customer for product development and technical service. Two of the three industry leaders are United States based Companies. They are A.E. Staley, Inc. and National Starch and Chemical, Inc. The third company is AVEBE, a world-renowned leader in specialty starches. The farmer owned potato starch cooperative AVEBE is based out of Veedam, The Netherlands. Over one half of all European and twenty-five percent of all specialty starch produced in the world are made by AVEBE. AVEBE has eighteen locations serving the United States including Duluth, MN and Janesville Wisconsin.

Since the market for specialty corn starch is a difficult market to penetrate, and has not grown substantially in recent years, Minnesota Maize has entered into a joint production and marketing agreement with AVEBE to produce specialty starches. It is expected that corn based starches will continue to be significantly more cost effective to

produce than potato based starches. AVEBE expects the venture will yield higher profits than its potato derived starches and likewise should allow MM to enjoy the same high level of prosperity. AVEBE will utilize its current sales and distribution systems to market the specialty cornstarches from the joint venture. The customer base for specialty starches will be regional food companies such as Pillsbury, General Mills, Betty Crocker and regional paper companies like Consolidated Paper.

The US ethanol market suppliers are comprised of two factions; they are corns wet-millers who produce ethanol from cornstarch and the dry-mill facilities. The corn wet-millers who produce ethanol are: ADM (Archer Daniels Midland), Cargill, Inc., MCP (Minnesota Corn Processors), and A.E. Staley, Inc. ADM is by far the largest producer of ethanol in the United States as they produce nearly 780 million gallons annually. MCP produces an annual average of about 110 million gallons and Cargill produces about 100 million annually. However, the dry-millers have a substantial market share, as Williams Energy Services supplies about 100 million gallons, New Energy sells 85 million gallons and about 35 smaller plants exist. These smaller dry-mill plants typically produce between 10 million and 30 million gallons annually each. The majority of the dry-mill plants are in the state of Minnesota, which offers economic incentives to producers of fuel ethanol. MM has entered into a marketing agreement with MCP that provides for MCP marketing all of the MM ethanol production for a fee of one-quarter of one cent per gallon. This agreement renews annually unless terminated by either party. Customers include KOCH Refinery, Williams Pipeline, Amoco, and Holiday Stations.

Another concern is the market for co-products that result from utilizing a wet-mill process. One of the co-products that are freight sensitive is the wet gluten feed. MM expects that MCP will be the primary competition that will be marketing within the normal geographic area served by MM. We expect little price impact because MCP has

only recently entered the Renville County market with any significant volumes and has alternative areas in which to market their product. Another co-product corn germ must be further processed into a marketable oil product. Consequently, MM has contracted 100% of its production to Cargill, Inc. and will deliver the product via rail car to Cargill's Blair, NE corn oil refinery. Yet another co-product, corn gluten meal, is used locally by the poultry industry in the rations for finishing Turkeys and also as feed for Chickens and laying hens. MM expects to have competition from MCP's Marshall, MN plant and Cargill's Whapeton, ND facility as we market primarily in the Willmar, MN area.

Ownership Structure

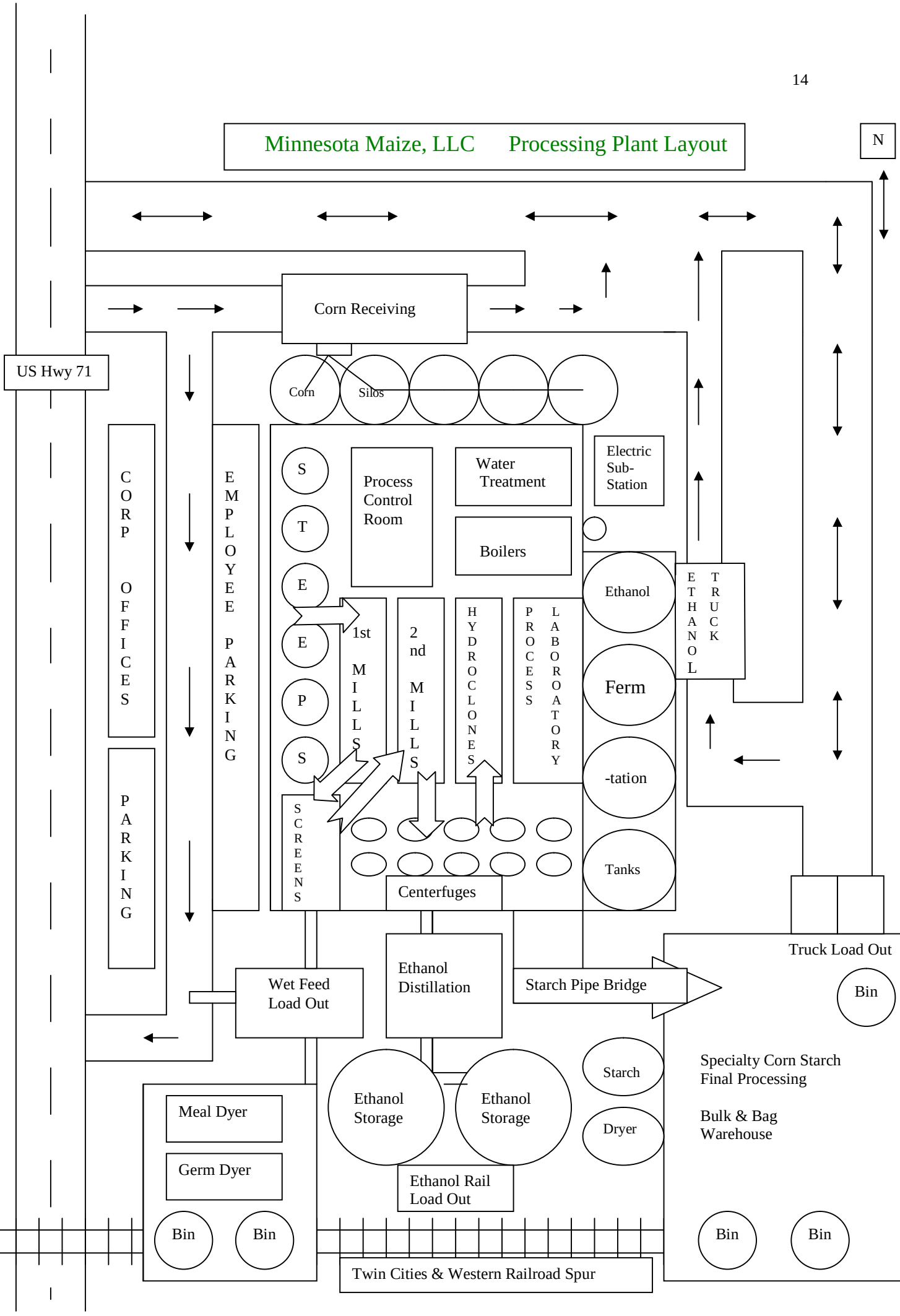
Various types of ownership and organizational structure were considered as this project was developed. The structures seriously considered included the cooperative corporate structure, the limited liability Corporation (LLC), and the traditional C Corporation. Since Minnesota Maize would have a partner for the specialty starch portion of its business, consideration was given to each structure in the light of being involved in the joint venture. Final analysis provided for having a grower-based company that would ultimately be a Limited Liability Corporation. One primary reason for the LLC is that potentially non-patron members can participate in the ownership and control of the LLC entity, whereas they could not in a cooperative. This is deemed desirable as AVEBE and Minnesota Maize, LLC desire a joint venture. Should additional capital be needed for growth, as the business expands and matures, and the grower member chooses not to contribute, out side capital could be sought. The C Corporation was not deemed desirable, as double taxation would result. Consequently, MM chose to use a hybrid of the cooperative and LLC structures that would result in ultimately achieving the LLC business structure.

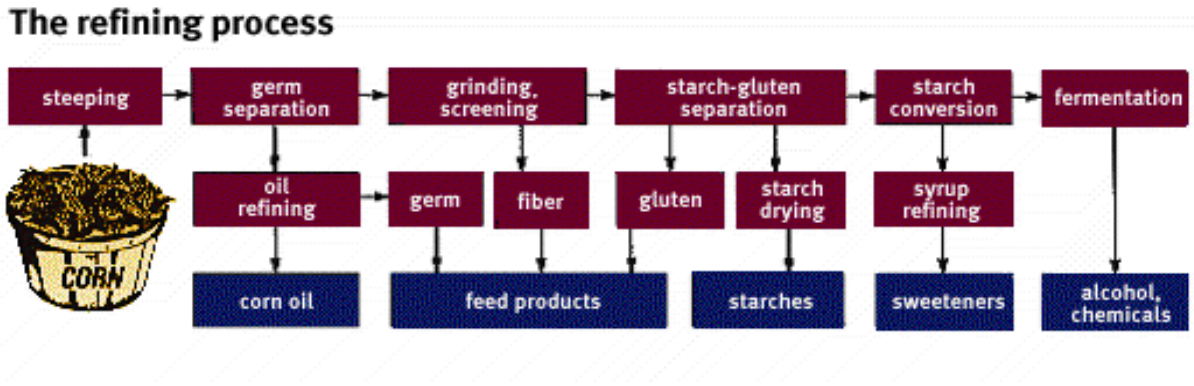
Initially, growers would purchase shares in a cooperative because of the relaxed securities regulations imposed on cooperatives. The organizers of the venture can then solicit and subscribe members without the cost and burden of registered securities representatives. Once the required subscriptions have been sold, the shares would automatically convert into the Minnesota Maize, LLC units. Thus, the best of the cooperative and LLC structures would be utilized. The additional legal cost of forming both a cooperative and LLC are deemed to be insignificant relative to the advantages of using the dual approach, as the articles of incorporation for both entities would be very similar.

Process Technology

The wet-mill process is a complex system of technology consisting of tanks, pumps, grinders, screens, centrifuges, filters, dryers, converters, fermentation tanks, boilers, and the associated computerized control systems. Two large engineering firms are well respected for their ability to design corn wet-will facilities, they are Flour-Daniel International, and PSI of Memphis, TN. Minnesota Maize asked each of these firms to provide conceptual design layouts and chose the concept by Flour-Daniel for the actual plant (See the processing plant layout on the following page). Since the firm utilizes proven technology, we expect no major flaws in the process. Their latest projects both had successful startups; they included MCP's Columbus, NE and the ProGold Whapeton, ND facility. Equipment vendors who license the use of their respective technology will supply all of the proprietary components for the process equipment. A Honeywell computerized distributive control system (DSC) will be used to monitor and control the entire process from a centralized control room. This system has been used by other wet-mill companies such as MCP and Cargill and also by oil refineries such as KOCH in Rosemont, MN.

Minnesota Maize, LLC Processing Plant Layout





Source: Corn Refiners Association "Process…" (1).

The corn "wet mill' refining process involves a sequence of continuous processes that separates the components of the kernel of corn. First, corn is steeped to loosen the parts of the kernel as it swells and softens. Second, the kernel is coarsely ground to separate the germ from the rest of the kernel and cyclone separators spin the germ out of the slurry. The germ can then be further process in corn oil. Third, the remaining components are finely ground and screening separates the hulls or fiber, then the remaining starch and gluten flows in slurry form. The hulls and fiber are sold as wet gluten feed. Fourth, the starch-gluten slurry is finely ground a second time and the slurry flows to hydroclones that remove the gluten from the starch. The gluten is dried and sold as gluten meal. Fifth, the starch slurry is modified to the required pH level before being dried and marketed. Sixth, starch slurry is fermented in fuel Ethanol or converted in corn syrups.

The kernel of corn provides 18.76 pounds of wet feed, 2.38 pounds of gluten meal, 3.39 pounds of corn germ, 5.29 pounds of steep water, 5.47 pounds of distillers soluble, and 33 pounds of corn starch or 2.55 gallons of fuel ethanol.

Environmental and Land Use Permits

All the applications for environmental approval have been filed and permits have been received. An environmental impact study has been completed. Also, permits in hand include construction, water use, waste discharge, air emissions and land use permits from

MPC (Minnesota Pollution Control), Renville County, City of Olivia, MN and the EPA (Environmental Control Agency – Chicago Region).

Industry Trends

The trend in the traditional corn wet-milling business is for multiple plant companies to serve the customers in the regions that are geographically near their processing facilities. However, MCP, Cargill and recently ADM currently lead a trend to owning regional distribution stations from which to serve customers who are outside the normal truck market for their respective plants. Corn Products, A.E. Staley, Cerestar, National Starch and Chemical, and Roquette America have not developed the distribution stations that the others have formed. Corn Products recently joined MCP in a joint venture called "Corn Products MCP Sweeteners" to market various products, subject to regulatory approval. MCP's distribution stations will be utilized by the marketing venture. MM expects that by marketing through AVEBE using the existing eighteen US locations owned by AVEBE that market penetration would occur with out disrupting the market place.

SWOT Analysis

One challenge faced by MM is recruiting adequate seasoned management with food plant experience. The use of headhunters will be necessary, as MM desires to attract quality individuals to fill the positions of CEO, CFO, and COO. Managing a food grade facility requires knowledge of many regulatory requirements and customer quality expectations. It is expected that some of the senior management would be members of the Cereal Chemist Association and have a working relationship with the American Baking Institute.

Also, the company expects that the initial hiring of key process employees will prove to be a challenge because the company lacks a track record and thus uncertainties remain as potential determents. The area of expertise that may prove most difficult to fill is that related to technical operation of wet-mill equipment. The company expects that a few employees may be willing to leave MCP in Marshall or Cargill in Whapeton, ND for an opportunity for advancement into supervisory levels at MM. We also expect that new hires with training on the DCS will be available as they graduate from Southwest Technical College in Granite Falls, MN with a degree in Process Control Systems.

With new state-of-the-art production facilities and proven technology, we expect cost efficiencies and quality controls will provide a competitive edge as compared to the older facilities used by the competition. We also expect lower staffing requirements and labor efficiencies as well.

Marketing and distribution can be the most difficult challenge faced by new entries into a market. MM expects that it will not encounter most of the traditional marketing challenges because of the marketing alliances and the contractual sales arrangements that have been entered into by MM. The alliances provide market power and in some cases access to distribution or further processing, all of which should provide enhanced revenue to Minnesota Maize and its partner AVEBE.

Another strength that MM believes will allow the company to prosper is the financial stability that arises from being well capitalized. Financial strength results from the structural arrangement of having a grower based commitment and a strong financial partner such as AVEBE. With owner equity of 72%, MM has obtained favorable interest rates on twenty-year callable debentures placed with ING Bearings. In addition, should the company be in need of short-term funds, a line of credit for working capital needs is in place with Wells Fargo.

Although the industry is considered somewhat concentrated, MM faces many competitors in respect to the many products that are produced. Competitors who market corn wet-mill products such as corn germ or oil, gluten meal, gluten feed and corn starch include:

ADM Corn Processing, Decatur, IL

Cargill, Inc. Minneapolis, MN,

Cerestar USA, Inc., Hammond, IN

Corn Products International, Inc. Bedford Park, IL

Minnesota Corn Processors of Marshall, MN

National starch and Chemical of Bridgewater, NJ

Penford Products Co. in Cedar rapids, IA

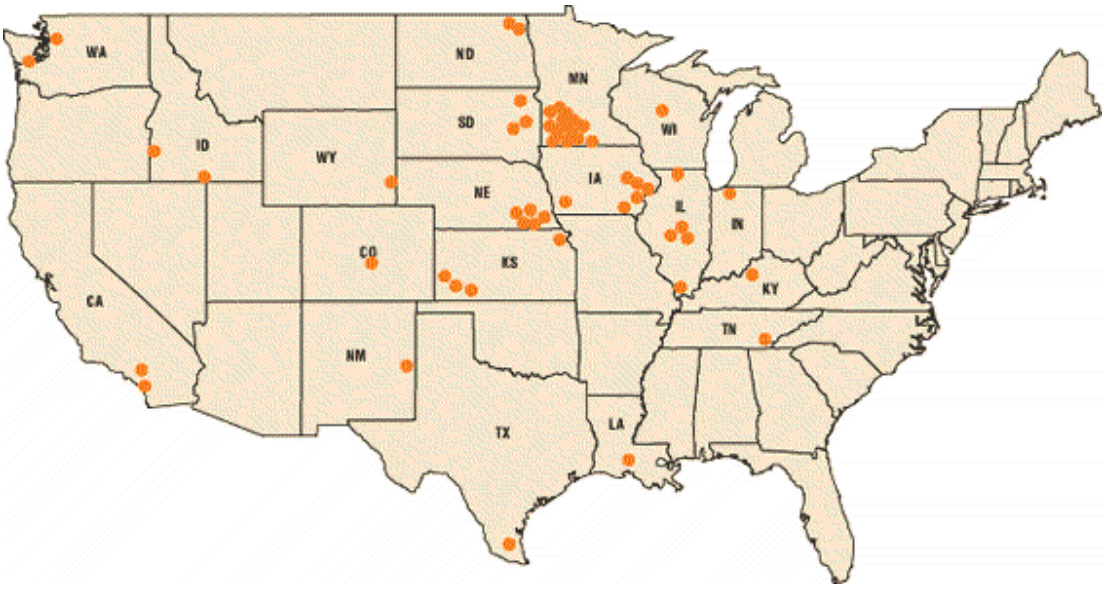
Roquette America, Inc. of Keokuk, IA

A.E. Staley of Decatur, IL

The Fuel Ethanol market is one in which there is no product differentiation; consequently suppliers of ethanol compete solely on price and availability.
The major competitors who market Fuel Ethanol include:

Company	Capacity in Million Gallons/year
ADM Corn Processing, Decatur, IL	780
Minnesota Corn Processors, Marshall, MN	110
Cargill, Inc., Minneapolis, MN,	100
Williams Energy Services, Pekin, IL	100
New Energy Corp., South Bend, IN	85
Midwest Grain, Pekin, IL	78
A.E. Staley of Decatur, IL	42

The following map shows locations of ethanol plants across the United States.



Source: National Corn Growers Association ”Ethanol…” (2).

Market Information & Promotion

The need for updated market information is vitally important, consequently MM will utilize numerous legal avenues to gather and disseminate information relative to the markets of the products that MM produces and markets. One source that provides market trends and information is the UDSA monthly Feed Outlook Bulletin. The Outlook indicates manufacturers Midwest published prices for most of the wet-mill produced products, as well as estimated volumes. The sales and marketing staff of MM and AVEBE will provide direct feedback from customers about market trends in usage and pricing. In addition, MM is a member of The Corn Refiners Association based in Washington, DC which uses an independently agency to gather product volume information which is made available only to members of the association.

In addition MM is a member of several trade organizations that promote and encourage use of its products. For example, MM is a member of the Renewable Fuels

Association, American Coalition for Ethanol, Oxy-Fuels Association, and Minnesota Ethanol Coalition which all promote environmentally friendly clean burning Ethanol Fuels. As a member of the Corn Growers Association MM helps to fund research that may lead to additional uses of corn based products and corn starch. The company is also a member of the Cereal Chemists Association and the Corn Research and Promotion Council. Since MM doesn't retail any product to the general public advertising a specific product is unnecessary, however though the various organizations MM leverages its advertising and promotion for public awareness. These organizations utilize radio, newspaper, and occasionally television to promote uses of corn based products. MM expects to pay about $65,000 in yearly dues to organizations to which MM is a member.

Human Resources

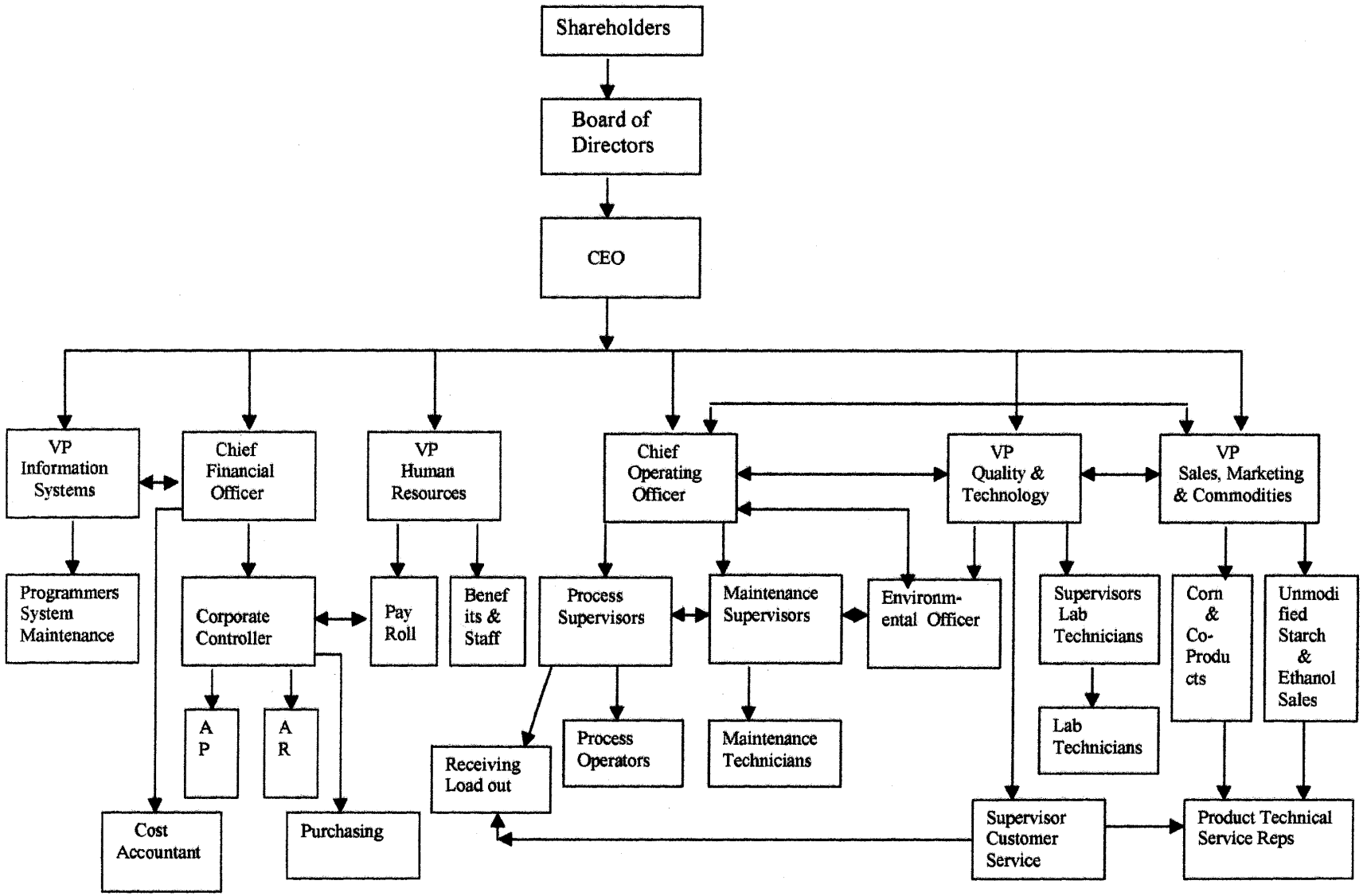
Highly qualified and motivated employees are one of the fundamental requirements needed for any business to be successful. MM will hire, train and retain quality employees at every level within the organization through methods such as hiring bonuses, special incentive wages during the training process, and a superior complement of employee benefits. The organizational chart, on a following page, shall serve as a fundamental guide to the reporting responsibilities of the senior officers and the work force.

While the Board of Directors is responsible to the shareholders, it is the board who employees the Chief Executive Officer, and the CEO in turn employees all other staff including other senior management. First in line to report to the CEO are the CFO (Chief Financial Officer), COO (Chief Operating Officer), VP Human Resources, VP Quality & Technology, VP Sales & Marketing, and VP Information Systems. An organizational chart, which shows the reporting functions of the entire organization, is shown on one of the following pages. Each of the senior staff is responsible for their respective areas. The

expected requirements and skills as well as compensation for the senior staff are outlined as follows:

Title	Compensation	Skills and Requirements
CEO	$185,000	The CEO shall have at least five years prior experience as CEO of a food plant. Experience processing commodities is preferred.
CFO	$100,000	The ideal candidate for CFO shall have five or more years experience as CFO as well as risk management experience with commodities.
COO	$100,000	The COO shall have operations management experience of seven years which includes at least one year in continuous process environment.
VP Sales & Marketing	$100,000	Desirable sales experience includes food grade starch, commodity & co-product. Three years or more supervisory experience is desired.
VP Quality & Technology	$85,000	Qualifications include corn wet-mill technical and quality experience. Supervisory Q&T experience is also desired.
VP Information Systems	$70,000	Experience with the Elke integrated financial system is a big plus. Honeywell control systems experience is also desirable.
VP Human	$55,000	HR experience consisting of working with multiple job classifications is desired.

Minnesota Maize, LLC Organizational Chart



The VP of Human Resources as authorized by the respective department senior staff member shall hire additional employees needed to fully staff the operations. The staffing requirements are as listed in the following.

The CFO shall be responsible staffing the financial and accounting department. The corporate controller and a cost accountant shall report directly to the CFO. The controller shall be responsible for the areas of accounts payable, accounts receivable, payroll and purchasing.

The VP of Information Systems shall oversee the computer programmer and systems maintenance personal. He shall work closely with the CFO to ensure that systems provide accurate data and that the appropriate controls are available.

The COO shall be responsible for overall plant operations. Duties include managing the process and maintenance supervisors, and the environmental officer. The process supervisors shall be responsible for receiving and load out of raw materials and finished goods and the staff of process operators. The maintenance supervisor shall oversee the maintenance technicians and be responsible for plant maintenance. The maintenance supervisors shall work closely with the process supervisors and the environmental officer.

The VP of Quality & Technology shall have the supervisors of customer service department and the lab technicians reporting directly. The lab supervisors shall monitor the lab technicians. The customer service supervisor shall monitor the receiving and load out personal as well as work directly with the product technical service representatives. In addition, the VP of Q&T shall communicate with the COO, VP of Sales & Marketing, and the environmental officer.

The VP of Sales, Marketing, and Commodities shall direct corn procurement, co-product sales, and over see the areas of starch and ethanol sales. In addition product

customer service representatives shall support the respective products. The VP of S, M & C shall coordinate efforts with the VP of Quality & Technology and the COO.

In addition to staffing the other departments, the VP of Human resources shall be responsible for the HR department. The department shall consist of pay roll, benefits and administrative staff. Each of HR staff members shall report directly to the Vice President of Human Resources.

Staffing and Compensation

MM seeks to employ above average personal and thus offers an extremely competitive wage and benefit package to all employees. To accomplish the tasks of attracting better employees we offer wages that are expected to be about 20% above the regional norm. In addition the benefits package includes Health, Dental, and Life Insurance. Also included is a 401k matching program that matches one for one for the first 6% of the employee wages. A profit sharing incentive is also given to employees with one or more years of employment. A generous vacation and personal day plan allows the new employee three weeks of vacation and three days of personal time per year. After three years with MM the vacation time increases to four weeks and an additional day of personal time is allowed.

A staffing and compensation plan for Minnesota Maize, LLC is included on the following page. The plan includes the compensation for 70 hourly and 26 salaried personal, segmented for each department including totals for each respective department prior to benefits. Total salary and hourly wages prior to benefits is $4,001,460. In addition the benefits package totals $1,252,690 or 31.31% of salaries and wages. Consequently the total compensation package including benefits for all 96 employees is $5,254,150.00 per year. The average wage and benefit paid per employee amounts to $54,730.73.

Minnesota Maize, LLC
Staffing & Compensation

CEO				
CEO	1	salary		185,000
Administrative Staff	1	12.50	26,000	26,000
Dept Total	2			211,000

Financial & Accounting

CFO	1	salary		100,000
Controller	1	salary	60,000	60,000
Cost Accountant	1	salary	55,000	55,000
AP Supplies	1	11.50	23,920	23,920
AP Corn	1	11.50	23,920	23,920
AP Support	1	11.50	23,920	23,920
AR CoProducts	1	11.50	23,920	23,920
AR Ethanol	1	11.50	23,920	23,920
AR Starch	1	11.50	23,920	23,920
Purchasing	1	14.00	29,120	29,120
Dept Total	10			387,640

Plant Operations

COO	1	salary		100,000
Process Supervisors	4	salary	60,000	240,000
Process Operators	16	14.50	30,160	482,560
Receiving Supplies	4	12.25	25,480	101,920
Corn Receiving	2	12.25	25,480	50,960
Loadout CoProducts	8	12.25	25,480	203,840
Maintenance Supervisors	4	salary	35,000	140,000
Maintenance Technicians	8	13.50	25,480	224,640
Environmental Officer	1	15.00	31,200	31,200
Administratve Staff	5	11.50	28,080	140,400
Dept Total	53			1,715,520

Sales & Marketing

VP Sales & Marketing	1	salary		100,000
Commodities Manager	1	salary	60,000	60,000
Starch & Ethanol Sales	1	salary	60,000	60,000
Corn Procurement	1	15.00	31,200	31,200
Meal & Germ Sales	1	16.50	34,320	34,320
Wet Feed Sales	1	17.50	36,400	36,400
Tech Rep Starches	2	16.50	34,320	68,640
Tech Rep Wet Feed	1	15.50	32,240	32,240
Administartive Staff	2	11.50	23,920	47,840
Dept Total	11			470,640

Quality & Technology

VP Quality & Technology	1	salary		85,000
Lab Tech Supervisors	4	salary	60,000	240,000
Lab Technicians	16	14.50	30,160	482,560
Cust Service Supervisor	1	salary	55,000	55,000
Administratve Staff	2	11.50	23,920	47,840
Dept Total	24			910,400

Human Resources

Vice President HR	1	salary		55,000
Pay Roll	1	11.50	23,920	23,920
Benefits	1	11.50	23,920	23,920
Administrative	1	10.50	21,840	21,840
Dept Total	4			124,680

Information Systems

Vice President IS	1	salary		70,000
Programer	1	salary	45,000	45,000
Programer	1	salary	38,500	38,500
System Maintenance	1	13.50	28,080	28,080
Dept Total	4			181,580

Total Salary & Hourly Wages		4,001,460
Benefits	31.31% multiplier	1,252,690
Total Compensation for Minnesota Maize, LLC		**$5,254,150**

Hourly Personal	70
Salaried Personal	26
Total Personal	96

Raw Material & Finished Goods Inventory Control

Controlling input cost and managing the inventory of raw materials, finished goods, and spare parts is necessary for survival of the business. Each of these areas has unique challenges that the company has identified and for which company has determined appropriate means to control the cost or risks.

First, the major raw materials used by a corn wet mill plant are corn and natural gas. Minnesota Maize will grind or process 23,882,500 bushels of corn annually. Since the company is grower based, most of the corn will be stored on the grower's farm until needed for processing. Another raw material that is used in large quantities is natural gas. MM has the ability to receive natural gas via pipeline directly from the gas fields in Canada on a non-interruptible or firm delivery base. In addition, the company utilizes cost risk control measures to reduce the financial risk to the company when appropriate. The corn cost risk controls mechanisms include hedging corn cost on the Chicago Board of Trade. Hedging is accomplished via corn futures and options. When economically possible the company purchases raw materials on a fixed price basis for future delivery.

Second, the finished goods inventory that must be managed includes Ethanol, Cornstarch, Wet Feed, Corn Germ, and Gluten Meal. Since these products are demand driven MM doesn't have a need to inventory large quantities. For example, MM produces fifteen million gallons of Ethanol per year but only needs to inventory storage space of one million gallons. Ethanol is stored temporary during sudden unexpected price declines with the anticipation that the market will normalize within a short time period. Another example of small inventory needs is cornstarch even though MM produces over sixty-six million hundred weight of starch annually. Since AVEBE takes possession and ownership of the finished product immediately MM doesn't incur storage or carrying costs. The

Cornstarch is delivered directly to the customer or to one of the eighteen AVEBE distribution terminals. The AVEBE terminals allow for just in time delivery to customers. Yet, another product corn germ is dried and shipped immediately via rail car to Cargill's Blair, NE corn oil refinery, thus eliminating the need to inventory the product. Since a corn oil refinery needs large amounts of corn germ in order to be efficient, the Cargill plant uses corn germ from Minnesota Maize, MCP's Marshall, MN and Columbus, NE plants and the two Cargill plants of Whapeton, ND and Blair, NE. Still another product that is delivered immediately to the customer is the gluten meal. Much of the meal is delivered to the large Farm Service Elevator Feed Mill in Willmar, MN as soon as it is available, thus once again eliminating storage and carry cost.

Third, since the process equipment used by a corn-wet mill is proprietary to the process, critical spare parts must be available and therefor inventory control and cost management is critical. The typical plant will maintain spare pumps, electric motors, heat exchangers, and motor controllers. MM is fortunate to have available the services of vendor managed inventory for many of these spare parts through a warehouse located in Marshall, MN that also serves MCP. Thus, small quantities of frequently used components are the only items inventoried by Minnesota Maize.

Consequently, Minnesota Maize can significantly control and manage inventory cost. Through innovative use of just in time raw material delivery both corn and natural gas arrive at the refinery as needed. Also, finished goods inventory is held to a minimum as shipment is made as the products are produced. The finished goods delivery provides a strategic strategy that greatly enhances the company's cash flow and reduces the cost of finished product inventory. Also, the vendor managed spare parts inventory reduces inventory costs by over one million dollars.

Product Pricing

Minnesota Maize provides both commodities and specialty products, thus price received for such products reflect the nature of the type of product.

First, the commodity products include ethanol, and gluten meal. Ethanol is marketed through MCP of Marshall, MN, who is the second largest marketer of ethanol fuel in the United States. MCP's market presence and knowledge provides that MM will receive the full price for ethanol allowed in a competitive commodity market. MM employs a volume based pricing strategy. Also, gluten meal is a commodity product whose price mirrors the price of soybean meal another protein product. Thus, MM is a price taker for gluten meal and has a meet the competition price objective. However, location and reduced shipping costs offer MM a competitive advantage in the protein market place.

Second, another product line that is priced as a commodity includes corn germ, wet feed, steep water, and distillers soluble. Corn germ is sold to Cargill on a formula basis. The pricing formula for corn germ includes the market value of corn oil and corn hulls and a factor for the recovery rate of oil from the corn germ. Thus, the corn germ is priced relative to the commodity market of corn oil that tends to reflect the soybean oil market. Also, wet feed and steep water or distillers soluble are marketed against corn and liquid proteins, respectively, that are commodity priced products. Thus, MM is a price taker for these products and volume pricing is the objective. However, once again, location and reduced shipping costs offer MM a competitive advantage in the market place.

Third, cornstarch produced from waxy corn has characteristics that are unique and thus it is sold as a specialty product. As a specialty product waxy cornstarch is priced for profitability using a cost based pricing formula.

Financial Assumptions & Indicators

Minnesota Maize expects reasonable profitability starting from the first day of operations. One of the keys to profitability for a capital-intensive industry is low per unit costs derived from optimizing output. MM has achieved sales for maximum refinery production and an expected bushel grind of 23,882,500 per year.

Expected corn costs and product sale prices used for financial projections reflect historical trends. The financial projections use an average corn cost of $2.22 per bushel which is a fourteen year average of a local southwest MN market. Also, an eleven-year average price for the Midwest Ethanol market of $1.15 per gallon was used to price ethanol. Specialty starch price projections are based off a ten-year history of specialty cornstarch prices. A price summary included at the end of the business plan, for each respective product is shown in the form of a chart that details pricing by the month. In addition, data showing industry shipments of ethanol and cornstarch for the most recent years is given numerically and in the form of a graph.

The following page shows product mix, volumes, and net sales data for the ethanol and starch refineries. The assumptions are based on 100% grind or processing capacity being utilized for a total of 23,882,500 bushels being processed. Ethanol production will use 24.63% of the corn grind or 5,882,500-bushel which is 100% of ethanol capacity. Starch production will use 75.37% of the corn grind or 18,000,000-bushels. Starch production is also at 100% of capacity. The top one-half of the page shows each refinery's yield-per-bushel in pounds or gallons and total volume in gallons, tons, or cwt. Also shown on the top half of the page is the per-unit price and total sales dollars for each refinery. Also, the bottom of the page provides the total net sales dollars. Net corn value and co-product value per bushel is also given on the right hand side of the page.

Minnesota Maize, LLC

Product Mix, Volumes & Net Sales

Total Grind Capacity in Bushels 23,882,500

Ethanol

% Total Grind Capacity	24.63%
Grind - Bushels	5,882,500
Refinery Capacity %	100%

Product		Yield/Bu	Volume
Ethanol	Gal	2.55	15,000,375
Feed-wet	Ton	18.76	55,178
Meal	Ton	2.38	7,000
Germ	Ton	3.39	9,971
Steep Water	Ton	5.29	15,559
Distillers Solubles	Ton	5.47	16,089

Net Sellings Prices		$/Unit	Net Sales $
Ethanol	Gal	$ 1.15	$ 17,250,431
Feed-wet	Ton	$ 21.65	$ 1,194,600
Meal	Ton	$ 235.80	$ 1,650,641
Germ	Ton	$ 149.16	$ 1,487,250
Steep Water	Ton	$ 40.00	$ 622,369
Distillers Solubles	Ton	$ 11.85	$ 190,650

Starch

% Total Grind Capacity	75.37%
Grind - Bushels	18,000,000
Refinery Capacity %	100%

Product		Yield/Bu	Volume
Starch	Cwt	33	5,940,000
Feed-wet	Ton	18.76	168,840
Meal	Ton	2.38	21,420
Germ	Ton	3.39	30,510
Steep Water	Ton	5.29	47,610
Distillers Solubles	Ton	5.47	49,230

Net Sellings Prices		$/Unit	Net Sales $
Starch	Cwt	$ 11.25	$ 66,825,000
Feed-wet	Ton	$ 21.65	$ 3,655,386
Meal	Ton	$ 235.80	$ 5,050,836
Germ	Ton	$ 149.16	$ 4,550,872
Steep Water	Ton	$ 40.00	$ 1,904,400
Distillers Solubles	Ton	$ 11.85	$ 583,376

Total Net Sales	
Ethanol	$ 17,250,431
Starch	$ 66,825,000
Feed-wet	$ 4,849,986
Meal	$ 6,701,477
Germ	$ 6,038,122
Steep Water	$ 2,526,769
Distillers Solubles	$ 774,026
Total Net Sales	$ 104,965,811

Net Corn & Coproduct Values - Per bushel		
Corn Cost	$ 2.220	100.00%
Feed-wet	$ 0.203	9.15%
Meal	$ 0.281	12.64%
Germ	$ 0.253	11.39%
Steep Water	$ 0.106	4.77%
Distillers Solubles	$ 0.032	1.46%
Total Coproduct Value	$ 0.875	39.40%
Net Corn Value - Per bushel	$ 1.345	60.60%

The net corn value is an indication of the cost of the raw corn starch slurry in terms of the value of corn not recovered from co-product sales. For example, with corn cost of $2.20 per bushel and co-product value of $0.875 the net corn value is $1.345 per bushel or 60.60% of corn cost. This indicates that raw cornstarch costs $1.345 per bushel equivalent of starch. Historically net corn value is about 50-55% of corn cost. Because lower than normal meal and germ values at present, net corn cost is higher than normal at 60.60% of corn cost. Should net corn cost return to normal levels, an additional 5-10% of corn costs can be recovered and returned as profits, amounting to an additional $0.11 to $0.22 of profit per bushel processed.

Financial Statements

The financial statements of net proceeds, cost of product sold, balance sheet, and cash flows are provided on the immediately following pages. Profitability matrixes for starch and ethanol also are included.

First, the statement of net proceeds indicates a net profit of $17,832,610 or $0.75 per-bushel processed or per “Class A” share outstanding. Net income is 16.99% of net sales. Net sales total $104,965,811 for the fiscal year. Cost of product sold is $3.39 per-bushel processed or $1.17 per-bushel excluding corn cost. Total cost of product sold is $81,029,051 or 77.20% of net sales.

Second, the balance sheet indicates the company is in a strong financial position with owner equity of $83,831,400 or 71.75% compared to 28.25% of debt equity. Total liabilities and debt equity are $33,007,110. Current assets are $40,601,010 compared to current liabilities of $23,507,110 providing net working capital of $17,093,900. The working capital ratio is 1.73 to 1. The company has $22,139,235 in cash available to pay dividends of $17,832,610 to “class “A” shareholders.

Third, the statement of cash flow indicates an increase of cash of $22,139,235 for the fiscal year ending December 31, 2001. The statement also shows that operations provide cash of $8,557,835. Also, investment activities include additions to plant property and equipment of $80,250,000 that was funded by the sale of $83,831,400 of stock. Working capital is financed by $10,000,000 of long term debt financing and also by profits from operations.

Fourth, the financial ratios provide a look at certain aspects of the companies performance. For instance, the accounts receivable turnover is 12.07 and the inventory turnover is 16.10 indicating that the company quickly turns finished product into cash. Other ratios that indicate financial heath are ROA at 15.26% and ROE at 21.27%. Yet, the debt to equity ratio is just .11 to 1. Meanwhile, book value is $2.75 per class “A” share.

Fifth, two profitability matrixes are provided, they follow the financial statements. They are the starch profitability matrix and the ethanol profitability matrix. They indicate the level of profitability based on 100% of processing capacity being utilized for each respective refinery and incurring the cost and yields obtained at the top of each matrix. For example, the starch matrix is used when starch cost for S,D,I,G&A are $0.25 and productions cost are $1.17 per bushel for a total cost of $1.42 per bushel prior to corn cost. Also, assuming that net corn cost is 60.60% of corn cost and 33 pounds of starch obtained per bushel processed. By looking across the row for corn cost that corresponds to $2.20 and down the starch price column of $11.75, we find that the expected profitability for cornstarch is $1.13 per bushel processed. Similarly, the profitability for ethanol with $2.20 corn and $1.15 ethanol is expected to be $0.38 per bushel.

Minnesota Maize, LLC

Statement of Net Proceeds

Fiscal Year Ended December 31, 2001

Bushel Grind	23,882,500
Net sales	104,965,811
Cost of Product Sold	81,029,051
Gross Proceeds from Operations	23,936,760
	$1.00
Selling	716,475
General & Administrative Cost	4,298,850
Total Selling, G&A Costs	5,015,325
Net Operating Proceeds	18,921,435
Interest Expense	850,000
Other, Net	238,825
Provision for Income Taxes	-
Total Interest & Other Costs	1,088,825
Net Income	17,832,610
% to Net Sales	16.99%
%$ Per Bushel Grind	$0.75

Minnesota Maize, LLC

Statement of Cost of Product Sold

Fiscal Year Ended December 31, 2001

Bushel Grind	23,882,500
$ Per Bu	$2.22
Cost of Product Sold	
Material Cost:	
Corn	$53,019,150
Chemicals & enzymes	2,627,075
Producers credit - Ethanol	(3,000,000)
Total Supplies	52,646,225
Net change in WIP & Inventory	249,000
Total Cost of Materials	52,895,225
Labor and Related Cost	5,254,150
Other Manufcaturing Cost:	
Depreciation	4,012,500
Repair & Maintenance	2,865,900
Contractual Services	955,300
Supplies & Consumables	2,674,840
Nonprocess Chemicals	835,888
Electric	3,439,080
Waste Treatment	1,194,125
Water	955,300
Natural Gas	4,394,380
Real Estate Taxes	477,650
Other	1,074,713
Total Other Cost	22,879,676
Total Cost of Product Sold	81,029,051
Cost/Bu	3.39
Cost/Bu excluding corn cost	$1.17
% Net Sales	77.20%

Minnesota Maize, LLC
Balance Sheet

December 31, 2001

ASSETS			
Current assets			
Cash			$ 22,139,235
Receivables			8,695,300
Inventories			6,521,475
Prepaid expense			485,000
Margin accounts			2,760,000
Total current assest			40,601,010
Property, plant & equipment			
Cost			80,250,000
Less: accumulated depreciation			(4,012,500)
Total PP&E			$ 76,237,500
TOTAL ASSETS			$ 116,838,510
LIABILITIES & EQUITIES			
Current liabilities			
Short term notes payable			$ 0
Curent maturity - LT debt			500,000
Accounts payable			2,516,000
Accured expenses & taxes			2,658,500
Dividends Payable			17,832,610
Total current liabilities			23,507,110
Long term debt			
Long term debt, less current maturities			9,500,000
Total long term debt			9,500,000
Total liabilities & debt			33,007,110
Stockholdrs' equity			
Class A common shares	23,882,500	2.75	65,767,875
Class B nonpartipating shares -	1		18,063,525
Retained earnings			0
Total stockholders equity			83,831,400
TOTAL LIABILITIES & EQUITY			$ 116,838,510

Minnesota Maize, LLC

Statement of Cash flow

December 31, 2001

	Amount
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	$ 17,832,610
Provided by Operating Activities:	
Depreciation and amortization	4,012,500
Loss (Gain) on disposal of Property & Equipemnt	0
Change in Operating Assets and Liabilities	
Receivables	(8,695,300)
Inventories	(6,521,475)
Prepaid expenses	(485,000)
Margin accounts deposits	(2,760,000)
Accounts payable	2,516,000
Accured expenses	2,658,500
Net cash provided by operating activities	**8,557,835**
CASH FLOWS FROM INVESTING ACTIVITIES	
Additions to Property and Equipment	80,250,000
Proceeds from Disposal of Equipment	0
Investments Purchased	0
Net cash used by investing activities	**80,250,000**
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Short Term Debt	0
Long Term Borrowings	10,000,000
Principal Payments on Long Term Debt	0
Proceeds from Sale of Stock	83,831,400
Dividend distributions	0
Net cash provided by financing activities	**93,831,400**
Net Increase (Decrease) in Cash	22,139,235
Cash January 1, 2001	0
Cash December 31, 2001	**$ 22,139,235**

Minnesota Maize, LLC

Financial Ratios

December 31, 2001

Liquidity Ratios	
Working capital ratio	1.73
Quick ratio	0.94
Net working capital	$17,093,900
Activity Ratios	
Accounts receivable turnover	12.07
Inventory turnover	16.10
Asset turnover	0.90
Leverage Ratios	
Times interest earned	22.26
Debt/Equity	0.11
Total liability/equity	0.39
Profitabilty Ratios	
Net profit margin	16.99%
ROA	15.26%
ROE	21.27%
Stock Ratios	
Owners' equity position	
Minnesota Maize	71.75
Banks	28.25
EPS Class A shares	$0.75
Payout Ratio	100.00%
Book value/share	
Class A shares	2.75
Class B shares nonparticipating	18,063,525
# Class shares outstanding	
Class A shares	23,882,500
Class B shares nonparticipating	1

Minnesota Maize, LLC

Ethanol Profitability Matrix

Stated as Profit Per Bushel

$	0.25	Selling, Dist, Interest, G & A	
$	0.97	Ethanol Cost of Production Per Bushel	
$	1.22	Total Cost Per Bushel	
	60.60%	Net corn	2.55 Gals / bu

	Ethanol Price / Gal															
Corn cost	0.85	0.90	0.95	1.00	1.05	1.10	1.15	1.20	1.25	1.30	1.35	1.40	1.45	1.50	1.55	1.60
1.30	0.16	0.29	0.42	0.54	0.67	0.80	0.93	1.05	1.18	1.31	1.44	1.56	1.69	1.82	1.95	2.07
1.35	0.13	0.26	0.39	0.51	0.64	0.77	0.90	1.02	1.15	1.28	1.41	1.53	1.66	1.79	1.92	2.04
1.40	0.10	0.23	0.36	0.48	0.61	0.74	0.87	0.99	1.12	1.25	1.38	1.50	1.63	1.76	1.89	2.01
1.45	0.07	0.20	0.33	0.45	0.58	0.71	0.84	0.96	1.09	1.22	1.35	1.47	1.60	1.73	1.86	1.98
1.50	0.04	0.17	0.30	0.42	0.55	0.68	0.81	0.93	1.06	1.19	1.32	1.44	1.57	1.70	1.83	1.95
1.55	0.01	0.14	0.26	0.39	0.52	0.65	0.77	0.90	1.03	1.16	1.28	1.41	1.54	1.67	1.79	1.92
1.60	(0.02)	0.11	0.23	0.36	0.49	0.62	0.74	0.87	1.00	1.13	1.25	1.38	1.51	1.64	1.76	1.89
1.65	(0.05)	0.08	0.20	0.33	0.46	0.59	0.71	0.84	0.97	1.10	1.22	1.35	1.48	1.61	1.73	1.86
1.70	(0.08)	0.05	0.17	0.30	0.43	0.56	0.68	0.81	0.94	1.07	1.19	1.32	1.45	1.58	1.70	1.83
1.75	(0.11)	0.02	0.14	0.27	0.40	0.53	0.65	0.78	0.91	1.04	1.16	1.29	1.42	1.55	1.67	1.80
1.80	(0.14)	(0.01)	0.11	0.24	0.37	0.50	0.62	0.75	0.88	1.01	1.13	1.26	1.39	1.52	1.64	1.77
1.85	(0.17)	(0.04)	0.08	0.21	0.34	0.47	0.59	0.72	0.85	0.98	1.10	1.23	1.36	1.49	1.61	1.74
1.90	(0.20)	(0.07)	0.05	0.18	0.31	0.44	0.56	0.69	0.82	0.95	1.07	1.20	1.33	1.46	1.58	1.71
1.95	(0.23)	(0.11)	0.02	0.15	0.28	0.40	0.53	0.66	0.79	0.91	1.04	1.17	1.30	1.42	1.55	1.68
2.00	(0.26)	(0.14)	(0.01)	0.12	0.25	0.37	0.50	0.63	0.76	0.88	1.01	1.14	1.27	1.39	1.52	1.65
2.05	(0.29)	(0.17)	(0.04)	0.09	0.22	0.34	0.47	0.60	0.73	0.85	0.98	1.11	1.24	1.36	1.49	1.62
2.10	(0.32)	(0.20)	(0.07)	0.06	0.19	0.31	0.44	0.57	0.70	0.82	0.95	1.08	1.21	1.33	1.46	1.59
2.15	(0.35)	(0.23)	(0.10)	0.03	0.16	0.28	0.41	0.54	0.67	0.79	0.92	1.05	1.18	1.30	1.43	1.56
2.20	(0.38)	(0.26)	(0.13)	(0.00)	0.13	0.25	0.38	0.51	0.64	0.76	0.89	1.02	1.15	1.27	1.40	1.53
2.25	(0.41)	(0.29)	(0.16)	(0.03)	0.10	0.22	0.35	0.48	0.61	0.73	0.86	0.99	1.12	1.24	1.37	1.50
2.30	(0.44)	(0.32)	(0.19)	(0.06)	0.07	0.19	0.32	0.45	0.58	0.70	0.83	0.96	1.09	1.21	1.34	1.47
2.35	(0.47)	(0.35)	(0.22)	(0.09)	0.04	0.16	0.29	0.42	0.55	0.67	0.80	0.93	1.06	1.18	1.31	1.44
2.40	(0.51)	(0.38)	(0.25)	(0.12)	0.00	0.13	0.26	0.39	0.51	0.64	0.77	0.90	1.02	1.15	1.28	1.41
2.45	(0.54)	(0.41)	(0.28)	(0.15)	(0.03)	0.10	0.23	0.36	0.48	0.61	0.74	0.87	0.99	1.12	1.25	1.38
2.50	(0.57)	(0.44)	(0.31)	(0.18)	(0.06)	0.07	0.20	0.33	0.45	0.58	0.71	0.84	0.96	1.09	1.22	1.35
2.55	(0.60)	(0.47)	(0.34)	(0.21)	(0.09)	0.04	0.17	0.30	0.42	0.55	0.68	0.81	0.93	1.06	1.19	1.32
2.60	(0.63)	(0.50)	(0.37)	(0.24)	(0.12)	0.01	0.14	0.27	0.39	0.52	0.65	0.78	0.90	1.03	1.16	1.29
2.65	(0.66)	(0.53)	(0.40)	(0.27)	(0.15)	(0.02)	0.11	0.24	0.36	0.49	0.62	0.75	0.87	1.00	1.13	1.26
2.70	(0.69)	(0.56)	(0.43)	(0.30)	(0.18)	(0.05)	0.08	0.21	0.33	0.46	0.59	0.72	0.84	0.97	1.10	1.23
2.75	(0.72)	(0.59)	(0.46)	(0.33)	(0.21)	(0.08)	0.05	0.18	0.30	0.43	0.56	0.69	0.81	0.94	1.07	1.20
2.80	(0.75)	(0.62)	(0.49)	(0.37)	(0.24)	(0.11)	0.02	0.14	0.27	0.40	0.53	0.65	0.78	0.91	1.04	1.16
2.85	(0.78)	(0.65)	(0.52)	(0.40)	(0.27)	(0.14)	(0.01)	0.11	0.24	0.37	0.50	0.62	0.75	0.88	1.01	1.13
2.90	(0.81)	(0.68)	(0.55)	(0.43)	(0.30)	(0.17)	(0.04)	0.08	0.21	0.34	0.47	0.59	0.72	0.85	0.98	1.10
2.95	(0.84)	(0.71)	(0.58)	(0.46)	(0.33)	(0.20)	(0.07)	0.05	0.18	0.31	0.44	0.56	0.69	0.82	0.95	1.07
3.00	(0.87)	(0.74)	(0.61)	(0.49)	(0.36)	(0.23)	(0.10)	0.02	0.15	0.28	0.41	0.53	0.66	0.79	0.92	1.04
3.05	(0.90)	(0.77)	(0.64)	(0.52)	(0.39)	(0.26)	(0.13)	(0.01)	0.12	0.25	0.38	0.50	0.63	0.76	0.89	1.01
3.10	(0.93)	(0.80)	(0.67)	(0.55)	(0.42)	(0.29)	(0.16)	(0.04)	0.09	0.22	0.35	0.47	0.60	0.73	0.86	0.98
3.15	(0.96)	(0.83)	(0.70)	(0.58)	(0.45)	(0.32)	(0.19)	(0.07)	0.06	0.19	0.32	0.44	0.57	0.70	0.83	0.95
3.20	(0.99)	(0.86)	(0.74)	(0.61)	(0.48)	(0.35)	(0.23)	(0.10)	0.03	0.16	0.28	0.41	0.54	0.67	0.79	0.92
3.25	(1.02)	(0.89)	(0.77)	(0.64)	(0.51)	(0.38)	(0.26)	(0.13)	(0.00)	0.13	0.25	0.38	0.51	0.64	0.76	0.89
3.30	(1.05)	(0.92)	(0.80)	(0.67)	(0.54)	(0.41)	(0.29)	(0.16)	(0.03)	0.10	0.22	0.35	0.48	0.61	0.73	0.86
3.35	(1.08)	(0.95)	(0.83)	(0.70)	(0.57)	(0.44)	(0.32)	(0.19)	(0.06)	0.07	0.19	0.32	0.45	0.58	0.70	0.83
3.40	(1.11)	(0.98)	(0.86)	(0.73)	(0.60)	(0.47)	(0.35)	(0.22)	(0.09)	0.04	0.16	0.29	0.42	0.55	0.67	0.80
3.45	(1.14)	(1.01)	(0.89)	(0.76)	(0.63)	(0.50)	(0.38)	(0.25)	(0.12)	0.01	0.13	0.26	0.39	0.52	0.64	0.77
3.50	(1.17)	(1.04)	(0.92)	(0.79)	(0.66)	(0.53)	(0.41)	(0.28)	(0.15)	(0.02)	0.10	0.23	0.36	0.49	0.61	0.74

Minnesota Maize, LLC

Starch Profitability Matrix

Stated as Profit Per bushel

$ 0.25 Selling, Dist, Interest, G & A
$ 1.17 Starch Cost of Production Per Bushel
$ 1.42 Total Cost Per Bushel
60.60% Net corn 33 Lbs / bu Yield

	Starch Price / Cwt															
Corn cost	9.00	9.25	9.50	9.75	10.00	10.25	10.50	10.75	11.00	11.25	11.50	11.75	12.00	12.25	12.50	12.75
1.30	0.76	0.85	0.93	1.01	1.09	1.18	1.26	1.34	1.42	1.51	1.59	1.67	1.75	1.84	1.92	2.00
1.35	0.73	0.82	0.90	0.98	1.06	1.15	1.23	1.31	1.39	1.48	1.56	1.64	1.72	1.81	1.89	1.97
1.40	0.70	0.79	0.87	0.95	1.03	1.12	1.20	1.28	1.36	1.45	1.53	1.61	1.69	1.78	1.86	1.94
1.45	0.67	0.76	0.84	0.92	1.00	1.09	1.17	1.25	1.33	1.42	1.50	1.58	1.66	1.75	1.83	1.91
1.50	0.64	0.73	0.81	0.89	0.97	1.06	1.14	1.22	1.30	1.39	1.47	1.55	1.63	1.72	1.80	1.88
1.55	0.61	0.69	0.78	0.86	0.94	1.02	1.11	1.19	1.27	1.35	1.44	1.52	1.60	1.68	1.77	1.85
1.60	0.58	0.66	0.75	0.83	0.91	0.99	1.08	1.16	1.24	1.32	1.41	1.49	1.57	1.65	1.74	1.82
1.65	0.55	0.63	0.72	0.80	0.88	0.96	1.05	1.13	1.21	1.29	1.38	1.46	1.54	1.62	1.71	1.79
1.70	0.52	0.60	0.69	0.77	0.85	0.93	1.02	1.10	1.18	1.26	1.35	1.43	1.51	1.59	1.68	1.76
1.75	0.49	0.57	0.66	0.74	0.82	0.90	0.99	1.07	1.15	1.23	1.32	1.40	1.48	1.56	1.65	1.73
1.80	0.46	0.54	0.63	0.71	0.79	0.87	0.96	1.04	1.12	1.20	1.29	1.37	1.45	1.53	1.62	1.70
1.85	0.43	0.51	0.60	0.68	0.76	0.84	0.93	1.01	1.09	1.17	1.26	1.34	1.42	1.50	1.59	1.67
1.90	0.40	0.48	0.57	0.65	0.73	0.81	0.90	0.98	1.06	1.14	1.23	1.31	1.39	1.47	1.56	1.64
1.95	0.37	0.45	0.53	0.62	0.70	0.78	0.86	0.95	1.03	1.11	1.19	1.28	1.36	1.44	1.52	1.61
2.00	0.34	0.42	0.50	0.59	0.67	0.75	0.83	0.92	1.00	1.08	1.16	1.25	1.33	1.41	1.49	1.58
2.05	0.31	0.39	0.47	0.56	0.64	0.72	0.80	0.89	0.97	1.05	1.13	1.22	1.30	1.38	1.46	1.55
2.10	0.28	0.36	0.44	0.53	0.61	0.69	0.77	0.86	0.94	1.02	1.10	1.19	1.27	1.35	1.43	1.52
2.15	0.25	0.33	0.41	0.50	0.58	0.66	0.74	0.83	0.91	0.99	1.07	1.16	1.24	1.32	1.40	1.49
2.20	0.22	0.30	0.38	0.47	0.55	0.63	0.71	0.80	0.88	0.96	1.04	1.13	1.21	1.29	1.37	1.46
2.25	0.19	0.27	0.35	0.44	0.52	0.60	0.68	0.77	0.85	0.93	1.01	1.10	1.18	1.26	1.34	1.43
2.30	0.16	0.24	0.32	0.41	0.49	0.57	0.65	0.74	0.82	0.90	0.98	1.07	1.15	1.23	1.31	1.40
2.35	0.13	0.21	0.29	0.38	0.46	0.54	0.62	0.71	0.79	0.87	0.95	1.04	1.12	1.20	1.28	1.37
2.40	0.10	0.18	0.26	0.34	0.43	0.51	0.59	0.67	0.76	0.84	0.92	1.00	1.09	1.17	1.25	1.33
2.45	0.07	0.15	0.23	0.31	0.40	0.48	0.56	0.64	0.73	0.81	0.89	0.97	1.06	1.14	1.22	1.30
2.50	0.04	0.12	0.20	0.28	0.37	0.45	0.53	0.61	0.70	0.78	0.86	0.94	1.03	1.11	1.19	1.27
2.55	0.01	0.09	0.17	0.25	0.34	0.42	0.50	0.58	0.67	0.75	0.83	0.91	1.00	1.08	1.16	1.24
2.60	(0.02)	0.06	0.14	0.22	0.31	0.39	0.47	0.55	0.64	0.72	0.80	0.88	0.97	1.05	1.13	1.21
2.65	(0.05)	0.03	0.11	0.19	0.28	0.36	0.44	0.52	0.61	0.69	0.77	0.85	0.94	1.02	1.10	1.18
2.70	(0.08)	(0.00)	0.08	0.16	0.25	0.33	0.41	0.49	0.58	0.66	0.74	0.82	0.91	0.99	1.07	1.15
2.75	(0.11)	(0.03)	0.05	0.13	0.22	0.30	0.38	0.46	0.55	0.63	0.71	0.79	0.88	0.96	1.04	1.12
2.80	(0.15)	(0.06)	0.02	0.10	0.18	0.27	0.35	0.43	0.51	0.60	0.68	0.76	0.84	0.93	1.01	1.09
2.85	(0.18)	(0.09)	(0.01)	0.07	0.15	0.24	0.32	0.40	0.48	0.57	0.65	0.73	0.81	0.90	0.98	1.06
2.90	(0.21)	(0.12)	(0.04)	0.04	0.12	0.21	0.29	0.37	0.45	0.54	0.62	0.70	0.78	0.87	0.95	1.03
2.95	(0.24)	(0.15)	(0.07)	0.01	0.09	0.18	0.26	0.34	0.42	0.51	0.59	0.67	0.75	0.84	0.92	1.00
3.00	(0.27)	(0.18)	(0.10)	(0.02)	0.06	0.15	0.23	0.31	0.39	0.48	0.56	0.64	0.72	0.81	0.89	0.97
3.05	(0.30)	(0.21)	(0.13)	(0.05)	0.03	0.12	0.20	0.28	0.36	0.45	0.53	0.61	0.69	0.78	0.86	0.94
3.10	(0.33)	(0.24)	(0.16)	(0.08)	0.00	0.09	0.17	0.25	0.33	0.42	0.50	0.58	0.66	0.75	0.83	0.91
3.15	(0.36)	(0.27)	(0.19)	(0.11)	(0.03)	0.06	0.14	0.22	0.30	0.39	0.47	0.55	0.63	0.72	0.80	0.88
3.20	(0.39)	(0.31)	(0.22)	(0.14)	(0.06)	0.02	0.11	0.19	0.27	0.35	0.44	0.52	0.60	0.68	0.77	0.85
3.25	(0.42)	(0.34)	(0.25)	(0.17)	(0.09)	(0.01)	0.08	0.16	0.24	0.32	0.41	0.49	0.57	0.65	0.74	0.82
3.30	(0.45)	(0.37)	(0.28)	(0.20)	(0.12)	(0.04)	0.05	0.13	0.21	0.29	0.38	0.46	0.54	0.62	0.71	0.79
3.35	(0.48)	(0.40)	(0.31)	(0.23)	(0.15)	(0.07)	0.02	0.10	0.18	0.26	0.35	0.43	0.51	0.59	0.68	0.76
3.40	(0.51)	(0.43)	(0.34)	(0.26)	(0.18)	(0.10)	(0.01)	0.07	0.15	0.23	0.32	0.40	0.48	0.56	0.65	0.73
3.45	(0.54)	(0.46)	(0.37)	(0.29)	(0.21)	(0.13)	(0.04)	0.04	0.12	0.20	0.29	0.37	0.45	0.53	0.62	0.70
3.50	(0.57)	(0.49)	(0.40)	(0.32)	(0.24)	(0.16)	(0.07)	0.01	0.09	0.17	0.26	0.34	0.42	0.50	0.59	0.67

Minnesota Maize, LLC

Ethanol & Corn Starch Usage

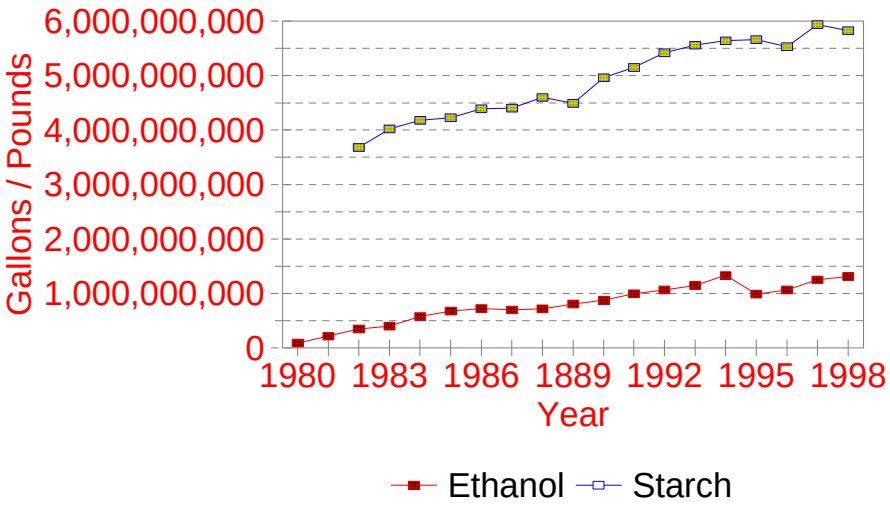
Industry Shipments Per year

	Ethanol Gallons	Starch Pounds
1980	88,000,000	
1981	215,000,000	
1982	350,000,000	3,678,058,000
1983	400,000,000	4,018,905,000
1984	580,000,000	4,225,171,000
1985	678,000,000	4,378,565,000
1986	725,000,000	4,400,803,000
1987	698,000,000	4,601,017,000
1988	718,000,000	4,487,737,000
1989	803,000,000	4,959,019,000
1990	873,000,000	5,149,754,000
1991	995,000,000	5,418,933,000
1992	1,065,000,000	5,418,933,000
1993	1,145,000,000	5,555,732,000
1994	1,333,000,000	5,639,750,000
1995	990,000,000	5,657,522,000
1996	1,063,000,000	5,527,840,000
1997	1,250,000,000	5,937,807,000
1998	1,315,000,000	5,822,661,000

Ethanol Data Source: National Corn Growers Association “World…” 17.
Starch Data Source: Corn Refiners Association “Corn Annual…” 4.

Ethanol & Starch Shipments

Total Industry



Minnesota Maize, LLC

Historical Corn Price Data

14 Year Marshall MN Corn Price Summary

	Yearly Average	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1986	2.05	2.15	2.21	2.27	2.25	2.22	2.22	2.14	2.24	2.23	1.74	1.49	1.41
1987	1.44	1.35	1.44	1.44	1.34	1.29	1.37	1.46	1.68	1.67	1.49	1.31	1.39
1988	1.94	1.46	1.59	1.63	1.68	1.76	1.74	1.77	1.81	2.23	2.60	2.60	2.46
1989	2.34	2.46	2.32	2.40	2.43	2.44	2.45	2.42	2.47	2.34	2.20	2.05	2.05
1990	2.24	2.09	2.15	2.16	2.07	2.09	2.22	2.40	2.51	2.52	2.43	2.27	1.96
1991	2.15	1.95	2.01	2.07	2.12	2.15	2.23	2.33	2.25	2.19	2.10	2.18	2.18
1992	2.18	2.11	2.13	2.14	2.16	2.29	2.36	2.27	2.31	2.34	2.09	1.97	1.95
1993	4.39	1.83	1.90	1.92	1.91	1.90	2.00	2.09	2.07	1.97	2.15	2.16	2.14
1994	2.38	2.22	2.51	2.65	2.68	2.62	2.62	2.50	2.43	2.39	2.05	1.99	1.92
1995	5.89	1.81	1.81	1.91	2.00	2.08	2.16	2.22	2.30	2.45	2.52	2.38	2.54
1996	3.71	2.86	2.84	3.02	3.18	3.39	3.59	4.18	4.68	4.48	4.42	4.34	3.52
1997	2.40	2.55	2.31	2.31	2.35	2.43	2.63	2.62	2.52	2.37	2.20	2.26	2.24
1998	2.22	2.37	2.36	2.30	2.34	2.33	2.34	2.19	2.21	2.23	2.19	2.03	1.74
1999	1.83	1.70	1.73	1.82	1.81	1.87	1.94	1.97	1.94	2.00	1.80	1.71	1.62
Average	2.65	2.07	2.09	2.15	2.17	2.20	2.28	2.33	2.39	2.39	2.28	2.20	2.08

Minnesota Maize, LLC

Ethanol Price Summary - Midwest Market

11Year Historical Price Summary for the Midwest Market

	Yearly Average	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1990	1.15	1.11	1.03	0.98	1.08	1.06	1.05	1.12	1.20	1.19	1.17	1.35	1.43
1991	1.20	1.45	1.40	1.22	1.16	1.10	1.09	1.14	1.20	1.18	1.16	1.18	1.15
1992	1.27	1.21	1.27	1.27	1.22	1.20	1.21	1.24	1.29	1.35	1.31	1.30	1.34
1993	1.19	1.32	1.33	1.34	1.28	1.16	1.15	1.13	1.14	1.12	1.11	1.11	1.11
1994	1.11	1.12	1.11	1.09	1.09	1.10	1.07	1.08	1.08	1.08	1.12	1.23	1.19
1995	1.11	1.21	1.22	1.21	1.21	1.17	1.09	1.07	1.05	1.03	1.03	1.03	1.04
1996	1.34	1.07	1.12	1.17	1.24	1.26	1.25	1.29	1.41	1.42	1.48	1.63	1.69
1997	2.19	1.44	1.31	1.23	1.09	1.05	1.05	1.07	1.06	1.05	1.07	1.08	1.13
1998	1.06	1.13	1.14	1.15	1.19	1.09	1.00	0.91	0.94	0.97	1.00	1.06	1.11
1999	2.07	1.03	1.10	0.97	0.94	0.88	0.87	0.88	0.86	0.85	0.84	0.86	0.88
2000	1.16	0.87	0.89	0.99	1.10	1.17	1.22	1.18	1.30	1.32	1.28	1.26	1.34
Average	1.35	1.18	1.17	1.15	1.15	1.11	1.10	1.10	1.14	1.14	1.14	1.19	1.22

Minnesota Maize, LLC

Specialty Corn Starch Price Summary

10 Year Historical Price Summary

	Yearly Average	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1990	11.78	11.87	11.57	11.40	11.48	11.66	11.61	11.64	12.02	11.86	12.15	12.11	12.00
1991	11.50	11.69	11.52	11.41	11.42	11.43	11.26	11.62	11.48	11.58	11.63	11.53	11.47
1992	11.54	11.42	11.33	11.39	11.32	11.40	11.56	11.72	11.64	11.76	11.81	11.64	11.45
1993	11.33	11.26	11.27	11.27	11.18	11.10	10.92	11.10	11.39	11.29	11.64	11.74	11.74
1994	12.35	11.62	11.80	11.83	12.46	12.58	12.69	12.65	12.77	12.61	12.69	12.60	11.90
1995	11.85	12.10	12.74	11.50	11.47	11.35	11.58	11.75	11.85	11.80	11.81	12.00	12.21
1996	13.52	12.32	12.21	12.34	12.85	13.31	13.23	13.67	13.68	14.06	14.78	15.18	14.57
1997	24.83	13.34	13.15	12.95	12.62	12.37	12.31	12.29	12.45	12.38	12.37	12.47	12.29
1998	12.25	12.35	12.29	12.50	12.22	12.18	12.26	12.34	12.26	12.36	12.26	12.15	11.83
1999	11.36	11.81	11.94	11.60	11.61	11.18	11.06	11.80	11.21	11.20	11.11	10.71	11.11
Average	13.23	11.98	11.98	11.82	11.86	11.86	11.85	12.06	12.08	12.09	12.23	12.21	12.06

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